

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of

Billed Party Preference for
InterLATA 0+ Calls

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CC Docket No. 92-77

REPLY COMMENTS OF THE
NATIONAL TELEPHONE COOPERATIVE ASSOCIATION

The National Telephone Cooperative Association ("NTCA") submits these Reply Comments in response to the comments filed on July 17, 1996, in the above captioned matter. With this proceeding the Commission seeks to implement the provisions of the Telecommunications Act of 1996 ("Act")¹ which direct the Commission to reform rules relating to operator services from pay telephones. NTCA is a national association of approximately 500 local exchange carriers ("LECs"). These LECs provide telecommunications services to end users and interexchange carriers throughout rural America.

In its initial comments, NTCA commended the Commission for its proposed alternative to Billed Party Preference ("BPP"). NTCA again urged the Commission not to mandate industry-wide BPP, as society must not bear the cost of implementing BPP simply to achieve changes in call routing for 0+ calls.² Most commenters agree that the enormous costs resulting from the implementation of BPP as well as the time required for full deployment would

¹ Pub. L. No. 104-104.

² See Comments of NTCA at 3.

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substantially outweigh any potential benefits to consumers.³ NTCA concurs with Communications Central: “The time has come to eliminate BPP as an alternative in addressing operator service rate issues in the payphone services marketplace.”⁴ The Commission should reject BPP as an appropriate mechanism by which to induce more effective competition, lower prices and improve services for customers who prefer not to use access codes. The record has shown that industry-wide mandated BPP deployment is not economically feasible and would adversely affect small and rural LECs.

NTCA supported the Commission’s proposal to require operator service providers (OSPs) to disclose rates for 0+ calls originating on public payphones only in instances where OSP rates and/or related premises-owner fees exceed some percentage of a given benchmark rate.⁵ US WEST agrees, asserting that although the benchmark pricing model provides the best targeted and most market efficient way to proceed. “We oppose a requirement that price disclosure be made on every such call.”⁶ Other commenters suggest that the Commission should adopt a price disclosure requirement for all 0+ calls, obviating the need for any set benchmark.⁷

³ See, for example, Comments of One Call Communications, Inc. d/b/a Opticom at 1. See also, Communications Central Inc. at 2-4; Pacific Telesis Group at 2; and Competitive Telecommunications Association (“CompTel”) at 2-3.

⁴ Communications Central Inc. at 5. See also, CompTel at 20: “CompTel asks that the Commission ... expressly reject BPP.”

⁵ NTCA at 4.

⁶ US WEST at ii.

⁷ See, for example, Comments of ACTA at 6.

However, NTCA believes that this is unnecessary. The Commission should not impose mandatory price disclosure for the carriers whose prices do not exceed the benchmark.⁸

NTCA notes the lack of agreement among commenters regarding the Commission's proposal for the most appropriate benchmark. While NTCA and several others submit that the Commission's proposal to establish a benchmark rate by approximating the average price charged by AT&T, MCI and Sprint is reasonable,⁹ some commenters claim that such an approach is unsound and lacks an empirical as well as legal basis.¹⁰ Many reiterate support for the previously considered CompTel proposal, under which OSPs whose rates exceed certain ceilings would be subject to regulatory scrutiny.¹¹

As stated in its comments, NTCA is not opposed to the use of benchmarks for 0+ interstate calls, so long as the plan does not place the burden of monitoring and enforcement on its LEC members.¹² NTCA has repeatedly opposed the CompTel proposal due to the fact that the plan calls for monitoring procedures which would impose significant burdens on small LECs.¹³ NTCA reiterates that the burden for compliance with any benchmark approach for 0+ interstate calling should fall on the OSPs providing these services.

⁸ Ameritech also opposes mandatory price disclosure for carriers whose prices do not exceed the benchmark. *See* Comments of Ameritech at 3.

⁹ NTCA at 5.

¹⁰ *See* CompTel at 6-7. *See also*, One Call Communications, Inc. d/b/a Opticom at 5.

¹¹ *See Second Further Notice of Proposed Rulemaking ("SFNPRM")* at para. 11, released June 6, 1996.

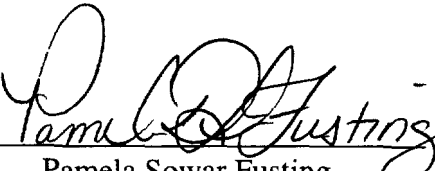
¹² NTCA at 4.

¹³ *See* NTCA at n. 10. *See also*, Comments of NTCA, April 12, 1995, at 2.

NTCA urges the Commission to ensure that no undue burdens are imposed on small and rural carriers as a result of rules adopted in this proceeding. While NTCA agrees that the Commission's proposal to implement a price disclosure and benchmark scheme provides a more cost effective way to protect consumers from excessive charges in connection with interstate operator services than does BPP, the Commission must ensure that no monitoring or enforcement burdens fall on the LECs. Finally, NTCA asks the Commission to reject BPP and eliminate it from consideration. The record continues to show that industry-wide mandated BPP deployment is not economically feasible and should not be regarded as a viable alternative to the rate issues discussed above.

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August 16, 1996

CERTIFICATE OF SERVICE

I, Rita H. Bolden, certify that a copy of the foregoing Reply Comments of the National Telephone Cooperative Association in CC Docket No 92-77, FCC 96-253 was served on this 16th day of August 1996, by first-class, U.S. Mail, postage prepaid, to the following persons on the attached list.

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